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## EXTRAORDINARY

### PART II—Section 3—Sub-section (1)

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#### MINISTRY OF COMMERCE AND INDUSTRY

#### NOTIFICATION

*New Delhi, the 27th February 1962*

**G.S.R. 254—IDRA/30/1/62.**—The following draft of certain rules further to amend the Registration and Licensing of Industrial Undertakings Rules, 1952, which the Central Government proposes to make in exercise of the powers conferred by section 30 of the Industries (Development and Regulation) Act, 1951 (65 of 1951), is hereby published as required by sub-section (1) of the said section for the information of persons likely to be affected thereby; and notice is hereby given that the draft will be taken into consideration on or after the 31st March 1962.

Any objection or suggestion which may be received from any person with respect to the said draft before the date so specified will be considered by the Central Government.

#### *Draft Rules*

1. These rules may be called the Registration and Licensing of Industrial Undertakings (Amendment) Rules, 1962.
2. In rule 2 of the Registration and Licensing of Industrial Undertakings Rules, 1952 (hereinafter referred to as the said rules), for clause (ii), the following clause shall be substituted, namely:—

“(ii) ‘effective steps’ means in relation to an industrial undertaking that a firm order has been placed for a substantial part of the plant and machinery for the industrial undertaking, and where the industrial undertaking is a public company within the meaning of the Companies Act, 1956, also that not less than 60 per cent of the share capital has been paid up”.
3. In rule 7 of the said rules,—
  - (a) in sub-rule (1) after the words “any substantial expansion of”, the words “or the production or manufacture of a new article in” shall be inserted;
  - (b) in sub-rule (1-A), for the words “which has been registered”, the words “which has been registered or in respect of which a licence has been granted” shall be substituted;

(c) after sub-rule (1-A), the following sub-rule shall be inserted, namely:—

“(1-B) Where an industrial undertaking consist of more than one factory, a separate application in Form D, Form E or Form EE, as the case may be, shall be made in respect of each factory.”;

(d) in sub-rule (2) for the words “six spare copies”, the words “eight spare copies” shall be substituted.

4. In rule 15 of the said rules,—

(a) in sub-rule (1), for the figure and word “3 months”, the figure and word “4 months” shall be substituted;

(b) for sub-rules (2) and (3) the following sub-rules shall respectively be substituted, namely:—

“(2) While granting a licence or permission, the Ministry of Commerce and Industry may, after giving an opportunity to the applicant to state his case, impose conditions relating to, among others, one or more of the following matters, namely:—

(a) the location of the undertaking;

(b) the capacity;

(c) the provision of housing and other amenities to workers;

(d) minimum standards in respect of quality; and

(e) the export to other countries or the sale within the country of such part of the production as the Government may, from time to time, specify.

(3) Before refusing a licence or permission, the applicant shall be given, not later than 4 months from the date of receipt of the application or the date on which the additional information under the rule 9 is furnished, whichever is later, an opportunity to state his case; and when a licence or permission is refused, the applicant shall be informed of the reasons for such refusal.”.

5. In rule 16 of the said rules, after sub-rule (2) the following sub-rule shall be inserted, namely:—

“(3) The Ministry of Commerce and Industry may, after giving an opportunity to the licensee to state his case, and if necessary, after consulting the Licensing Committee, vary or amend the conditions attached to the licence (other than the conditions, if any, relating to the location of the undertakings).

6. In rule 19-A of the said rules,—

(a) in sub-rule (1), for the words “an undertaking in respect of which a licence or permission has been granted under the Act”, the words “an undertaking which has been established after obtaining a licence or permission under the Act” shall be substituted; (b) in sub-rule (2), for the words “an undertaking in respect of which a licence or permission has been granted”, the words “an undertaking which has been established after obtaining a licence or permission” shall be substituted.

7. In rule 20 of the said rules, after the words “these rules”, the words “or any of the conditions of a licence granted thereunder” shall be inserted.

8. In Form D appended to the said rules, the following annexures shall be inserted at the end, namely:—

#### ANNEXURE I

**NOTE.**—If it is proposed that other public companies will hold shares of the company, it would be advisable for the public company or companies concerned to obtain approval, if necessary, under Section 372 of the Companies Act, 1956.

1. Define precisely the nature of the interest of the applicant in the industrial undertaking, for example, promoters, managing agents, major share-holders, etc.

2. Name and address of the manager, if any, of the undertaking.
3. Names and addresses of the secretaries and treasurers, if any, of the undertaking.
4. Names and addresses of the partners, directors and other members of the managing agents, secretaries and treasurers of the undertaking.
5. Obligations and privileges of the secretaries and treasurers in the management of the undertaking.
6. Project Cost:—
  - (i) cost of land;
  - (ii) cost of plant and machinery;
  - (iii) cost of building and other fixed assets;
  - (iv) preliminary/promotional expenses;
  - (v) working capital.
7. Manner of financing the project—
  - (i) by issue of share capital (give ordinary and preference separately);
  - (ii) from borrowings
  - (iii) other sources } specifying details.
8. Names and addresses of shareholders holding or agreeing to hold 5 per cent or more of the paid-up share capital of the undertaking.
9. Whether any public company has agreed to subscribe for any shares in the company; if so, names of such companies along with their proposed subscriptions.
10. Whether the foreign collaborator will participate in the management of the company; if so, give details.

Signature of applicant.

#### ANNEXURE II

(To be filled in only for undertakings of which the project cost including the items included in this application will exceed Rs. 50 lakhs.)

1. If the applicant is different from the undertaking which will implement the licence, give the following information in respect of the applicant (2—8).
2. Nature of the present business of the applicant.
3. (i) If the applicant is a firm, the names and addresses of the proprietors/partners.  
(ii) If it is a company—
  - (a) its name and address;
  - (b) names and addresses of the board of directors, managing director and manager, if any.
4. The names and addresses of its managing agents/secretaries & treasurers.
5. Names and addresses of the partners, directors, etc. or the managing agents/secretaries and treasurers.
6. Capital structure showing separately preference in equity capital as also the numbers of shares and face value.
7. Authorised capital.  
Subscribed capital.  
Paid-up capital.
8. Names and addresses of the shareholders who hold more than 5 per cent of the paid-up share capital of the applicants and the extent of such holding.

9. Details of licences under the Industries (Development & Regulation) Act, held by the applicant and the new undertaking and the extent of which such licences have been implemented so far and if not implemented, the reasons for non-implementation in each case.

10. Names and nature of activities of any other companies and/or undertakings in which each shareholder of the company holding 5 per cent or more of its paid-up share capital has a shareholding interest and the extent of such interest.

11 Total project cost showing—

- (i) cost of land.
- (ii) cost of plant and machinery.
- (iii) cost of building and other fixed assets.
- (iv) preliminary/promotional expenses
- (v) Working capital.

12 Manner of financing the project cost—

(a) If by issue of share capital—

- (i) Amount of share capital to be issued showing number of shares and face value;
- (ii) Shares to be issued to—  
directors;  
managing agents,  
secretaries & treasurers etc. and their friends and associates;  
foreign collaborators;  
financial institutions like ICICI, LIC, IFC, NIDC and State Financial Corporations.
- (iii) Public issue.
- (iv) Other sources (Please specify details).

(b) Borrowings:

- (i) From foreign financial institutions like IBRD, International Finance Corporation etc.;
- (ii) From foreign collaborators;
- (iii) Financial Institutions like ICICI, LIC, IFC, NIDC and State Financial Corporations;
- (iv) From Banks;
- (v) Other Borrowings (specify details)

13. If shares are intended to be issued to other public companies—

- (a) name of the public company concerned;
- (b) amount of shares to be subscribed for showing separately number of shares and face value;
- (c) relationship with the company;
- (d) if the provisions of Section 372 of the Companies Act are attracted, whether the necessary application has been made to the Department of Company Law Administration and their approval obtained.

Signature of the applicant.

9 In Form F appended to the said rules,—

- (a) in the first paragraph, clause (c) shall be omitted;
- (b) the following annexures shall be inserted at the end, namely:—

#### ANNEXURE I

NOTE—If it is proposed that other public companies will hold shares of the company, it would be advisable for the public company or companies concerned to obtain approval if necessary, under Section 372 of the Companies Act, 1956.

1. Define precisely the nature of the interest of the applicant in the industrial undertaking, for example, promoters, managing agents, major shareholders, etc.

2. Existing business of the undertaking—indicate items manufactured.
3. In the case of new articles—
  - (i) whether the new manufacture would be covered by the present Memorandum of the company;
  - (ii) how the manufacture of the new articles can conveniently and advantageously be combined in the existing circumstances with the existing business of the company.
4. Whether any public company has agreed to subscribe for any shares of the undertaking, if so, give names of such companies along with their proposed subscriptions?
5. Whether the foreign collaborators will participate in the management of the undertaking; if so, give details?

Signature of applicant.

#### ANNEXURE II

(To be filled in only for undertakings of which the project cost including the items included in this application will exceed Rs. 50 lakhs.)

1. If the applicant is different from the undertaking which will implement the licence, give the following information in respect of the applicant (2—8).
2. Nature of the present business of the applicant.
3. (i) If the applicant is a firm, the names and addresses of the proprietors/partners.  
(ii) If it is a company—
  - (a) its name and address;
  - (b) names and addresses of the board of directors, managing director and manager, if any.
4. The name and address of its managing agents/secretaries and treasurers.
5. Names and addresses of the partners, directors, etc. or the managing agents/secretaries and treasurers.
6. Capital structure showing separately preference in equity capital as also the numbers of shares and face value.
7. Authorised capital.  
Subscribed capital.  
Paid-up capital.
8. Name and address of the share-holders who hold more than 5 per cent of the paid-up share capital of the applicants and the extent of such holding.
9. Details of licences under the Industries (Development and Regulation) Act, held by the applicant and the new undertaking and the extent of which such licences have been implemented so far and if not implemented, the reasons for non-implementation in each case.
10. Names and nature of activities of any other companies and/or undertakings in which each shareholder of the company holding 5 per cent or more of its paid-up share capital has a shareholding interest and the extent of such interest.
11. Total project cost showing—
  - (i) cost of land
  - (ii) cost of plant and machinery
  - (iii) cost of building and other fixed assets.
  - (iv) preliminary/promotional expenses.
  - (v) Working capital.

12. Manner of financing the project cost—
- (a) If by issue of share capital—
    - (i) Amount of share capital to be issued showing number of shares and face value;
    - (ii) Shares to be issued to—
      - directors;
      - managing agents, secretaries and treasurers etc. and their friends and associates;
      - foreign collaborators;
      - financial institutions like ICICI, LIC, IFC, NIDC and State Financial Corporations.
    - (iii) Public issue;
    - (iv) Other sources (Please specify details).
  - (b) Borrowings:
    - (i) From foreign financial institutions like IBRD, International Finance Corporation etc.;
    - (ii) From foreign collaborators;
    - (iii) Financial Institutions like ICICI, LIC, IFC, NIDC and State Financial Corporations;
    - (iv) From Banks;
    - (v) Other Borrowings (specify details).
13. If shares are intended to be issued to other public companies—
- (a) name of the public company concerned;
  - (b) amount of shares to be subscribed for showing separately number of shares and face value;
  - (c) relationship with the company;
  - (d) if the provisions of Section 372 of the Companies Act are attracted, whether the necessary application has been made to the Department of Company Law Administration and their approval obtained.
- Signature of the Applicant.
10. In Form G appended to the said rules,—
- (a) at the commencement of each of items 5(a), 14, 15 and 18, the mark ‘†’ shall be inserted;
  - (b) the following mark and note shall be inserted at the end, namely:—
 

“†Note.—Indicate the expenditure incurred on this item during the period covered by the report.”

[No. 7(2)/Lic. Pol./61.]

G. C. L. JONEJA, *Jt. Secy.*